



LEGISLATIVE FISCAL OFFICE
Streamlining Commission Analysis

Recommendation No. **RECOMMENDATION 76**
Streamlining Draft **AGEDNES 22**

Date: December 3, 2009 9:08 AM	Author:
Dept./Agy.: Natural Resources	Analyst: Stephanie C. Blanchard
Subject: Oil and Gas Permitting and Reporting	

Automate DNR’s oil and gas permitting and reporting processes under the Office of Conservation

The Office of Conservation under DNR should develop a plan to automate the oil and gas permitting and reporting processes. Once all of these processes are implemented and moved to the Baton Rouge office from the district offices, a reduction of 13 positions could be realized.

EXPENDITURES	2010-11	2011-12	2012-13	2013-14	2014-15	5 -YEAR TOTAL
State Gen. Fd.	\$3,743,230	(\$199,441)	(\$622,418)	(\$645,618)	(\$669,746)	\$1,606,007
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$3,743,230	(\$199,441)	(\$622,418)	(\$645,618)	(\$669,746)	\$1,606,007

REVENUES	2010-11	2011-12	2012-13	2013-14	2014-15	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION


The complete automation of all of DNR’s oil and gas permitting processes will result in a net increase of \$3.7 million in FY 11. A one-time cost of \$3.85 million in FY 11 will be necessary to develop electronic forms and business processes within the existing SONRIS system.

Cost estimates are based on the number of paper forms that need to be converted into a fully functional online workflow based system, as well as document imaging that is part of the operations in various sections of the Office of Conservation. Estimates include conversion of 131 paper forms that would take 13,490 hours at \$125 per hour for a cost of \$1.7M (13,490 x \$125). In addition, approximately 17M paper, film and microfiche documents will be imaged at a price per document (depending on type) at a cost of approximately \$2.1M.

The automation of oil and gas production reports would result in the elimination of three full-time positions at a savings of \$106,770 annually beginning in FY 11. As additional automation takes place two additional positions will be eliminated in FY 12 at a savings of \$88,400 annually. Complete automation of all processes will occur in FY 13 and would result in an additional elimination of eight positions at a savings of \$372,591 annually. Savings in subsequent fiscal years would increase by 4% due to merit increases that would have occurred with the thirteen eliminated positions. Additionally beginning in FY 13, a savings of \$42,409 in operating expenses would be realized.

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure.

<u>Senate</u>	<u>Dual Referral Rules</u>	<u>House</u>	
<input type="checkbox"/> 13.5.1 >= \$500,000 Annual Fiscal Cost		<input type="checkbox"/> 6.8(F) >= \$500,000 Annual Fiscal Cost	H. Gordon Monk
<input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change		<input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease	Legislative Fiscal Officer